C.F. 71 & 72.

1936

Department of Excise

OFFICE of the Commr

STATION Chipaunk

(T)

R No. 119 A&C/36

Seen

Dated 21-1-36

To whom sent	Date	Initial
	Given for copying	
	Copied	
	Examined	
	Signed	
	Given for despatch	
	Despatched	
	Indexed	
Pages in the file	To be destroyed on*	

SUBJECT.)

Cashew cultivation ... Sale ... customs party ...

... Kanara Dt. ... 1936-37. ... Kasaragod

DRAFT FOR APPROVAL.

	Initials.	
When received for fair copying ..	24/9	
When copied		
When examined..		
When signed		
When despatched.		

SUBJECT:— Cashew arack - experimental distillation + sale - 1936-37.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution Ms. / Rout. No. _____, dated C.R. 9484/A19 35.

Rep.

the Comm. has under consideration the question whether the experiment of distilling Cashew arack in the Chowghat disty. for sale in certain parts of S. Kanara dt. should be continued next year. It has been represented to him that the decrease in the demand for liquid Cashew arack at present is due to its ~~Comparatively~~ higher cost than molasses arack & that Cashew arack should be made available at the same strength and price as molasses arack if the true demand for it is to

be tested. The Question of
reducing the strength of Cashew
nuck to 35° U.P. and of the duty in the current budget itself is
~~immediately its cost price, ie~~
~~at par & duty with those~~
~~imilar articles are under~~
under Consideration. If it is
decided to Continue the distillation for the next year
~~experiment~~ in all
~~the year~~ the issue strength will be practically
e 35° U.P. & the ~~Cost price~~ will Cashew arrack with have to be
~~suitable reduced Considerably~~; Markets at as cheap a price as possible
so as to compete on favourable terms
with imported arrack.
Messrs. Parry & Co. are requested
report at a very early date
(1) whether they will be willing
undertake the distillation of
this arrack, on the Chowghat
site during next season; &
later they will be willing to
the above price ex-Mangalore W.H.
& if
o to what extent.

Rs
20/7/35

To Messrs. Parry & Co
Madras

DESPATCHED
24 SEP 1936

8/9

The East India Distilleries & Sugar Factories Ltd.
(INCORPORATED IN ENGLAND)

PA :O, LTD.,
MANAGING AGENTS.
TELEGRAPHIC ADDRESS:-
"DISTIMULO"

Madras, 26th September 1935

ABKARI
9922

The Secretary to the Commissioner of Excise,

Chepauk,

M a d r a s.

Sir,

CASHEW ARRACK 1936/37 - Experimental Distillation and Sale.

We have the honour to acknowledge receipt of your Reference pp 1-2 supra C.R.No. 9485 Abk/35 dated 20th September 1935 and will be prepared to undertake distillation of Cashew Arrack in the Chowghat distillery if required.

As regards the question of issue price, we are examining figures in the light of our experience this year and will write to you later on this point.

We have the honour to be,

Sir,

Your obedient servants,

for PARRY & Co.

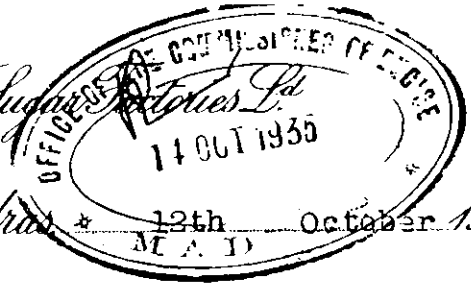
MANAGING AGENTS.

DS/CVH

Encl.

The East India Distilleries & Sugar Factories Ltd.
(INCORPORATED IN ENGLAND)

LTD.,
MANAGING AGENTS.
TELEGRAPHIC ADDRESS:-
"DISTIMULO."



Madras, 12th October 1935

ABKARI
10456

The Secretary to the Commissioner of Excise,

Chepauk,

M A D R A S.

Sir,

Cashew Arrack - Proposed 2nd Experiment

Further to our letter of the 26th ultimo, we now comment as follows in reference to your enquiry C.R.No. 9484. Abk/35 dated 20-9-35.

1. We have already expressed our willingness to undertake the distillation of Cashew Arrack in the Chowghat Distillery next season if this is required by Government.

2. As regards the question of reducing the issue price it will be recollected that as a result of this year's experiment our loss amounted to some Rs. 1,861/- before calculating anything for Madras supervision.

In the circumstances, so far as present stocks are concerned, we regret we cannot see our way to reduce below the rate to be allowed by Government, i.e. Rs. 2-10-0 per gallon of 30 U.P. at Warehouse.

3. For further supplies of spirit we calculate that our actual cost of manufacture should not exceed Rs. 2-6-0 per gallon of

of 30 U.P. at Warehouse and we would be prepared to quote this figure for the second experiment subject to the following.-

1) The above cost is based on the expectation that the price of 10 lbs. of cashew fruit will be Rs.0-1-3. The price for spirit should be subject to a further increase or decrease by annas 4 a gallon of 30 U.P. for every three pies paid by us above or below one anna 3 pies per unit of 10 lbs. of fruit delivered at Chowghat.

2) The season to commence on 1-3-36 for the following reasons:-

i. We shall require time to collect the necessary reserve of Cocoanut Toddy Arrack

ii. To comence distillation of cashew arrack before there is sufficient fruit available for full work is uneconomical.

3) Our rate is based on the distillery storage and transport of spirit at about 5^{o} O.P.

4) Certain expenditure will probably be necessary for repairs and replacements and we suggest Rs.1000/- be budgetted for this. We have in view at present.

1. Extra wash back
2. Rethatching sheds
3. Rebuilding weak liquor stores shed
4. Hose piping replacements.

please see p. 1-8 infra

5) The stocks of spirit are now about 6,800 gallons 30 U.P. and on the basis of present sales will take some 13 months to clear.

In the event of Government requiring a second experiment

THE EAST INDIA DISTILLERIES AND SUGAR FACTORIES, LTD.-(INCORPORATED IN ENGLAND.)

experiment to be conducted special arrangements regarding spirit storage will be necessary and this presents considerable difficulties. We were pressed for space last year and have now comparatively heavy stocks of 1935 Cashew Arrack in Warehouse.

Subject to discussions with the Assistant Commissioner for Distilleries and suitable arrangements regarding the expen of transport, storage and wastage of Cocoanut Toddy Arrack, we could probably arrange to distil and accommodate 7,500 proof gallons of 1936 cashew arrack, or rather less than was produced last season.

6) In the event of distillation being required arrangements regarding fruit supplies, staff, storage of spirits and other matters must commence at once and we request therefore that the Commissioner will advise us not later than the end of the month whether we are to proceed with the experiment.

We have the honour to be,

Sir,

Your obedient servants,
for PARRY & CO.LTD.,

DIRECTOR.
MANAGING AGENTS.

The East India Distilleries & Sugar Factories Ltd.

(INCORPORATED IN ENGLAND)

PARRY & CO., LTD.,
MANAGING AGENTS.

GRAPHIC ADDRESS:
"DISTIMULO."

Madras, 18th October. 1935.

1c 6441

The Secretary to the Commissioner of Excise,

Chepauk,

M a d r a s.

Sir,

Cashew Experiment - Chowghat.

With reference to recent correspondence we enclose copy of our Calicut Agent's memo of the 15th October and are calling for the necessary estimates.

We have the honour to be,

Sir,

Your obedient servants,

for The East India Distilleries & Sugar Factories Ltd.

Managing Agents.

Copy of memo dated 15th October 1935, received from our Manager, Calicut.

Cashew Arrack - Chowghat plant.

Mr. Templeman inspected Chowghat yesterday and confirms the correctness of Chowghat's report on the plant (of the 9th October).

1. All the sheds would require re-thatching, and we suggest that the Manager should be instructed to obtain an estimate for this work.

2. The Laboratory Shed should be tarred inside and outside to a height of about 2 ft. from the floor to prevent white-ant attack.

3. The sides of the Fruit Store shed were removed and sold by the Government. An estimate should be obtained for renewing all four sides with thatties to a height of 6 ft.

4. We estimate that, to be on the safe side a further 75 ft. of Hose pipe would be required.

5. The wash-backs have been debited to the Government but we suggest that, to preserve them, they should be given a good coat of paint on the outsides. The wood-work is at present quite bare.

Although there is no immediate hurry with regard to Nos. 1 and 3, we think it would be advisable to have such estimates in hand.

With regard to No.2 we think this should be done immediately, but presume the Government would have to pay for it and their permission obtained.

No.5 should also be carried out as soon as possible, but here again Government's sanction would be necessary for the expenditure.

Copy

CO., LTD

S/2960

9

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	29/10	
When copied	29/10	
When examined	30/10	
When signed	30/10	
When despatched.		

SUBJECT:—

Cashew arack - experimental distillation - Continuance - 1936-37

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the Messrs Pamy & Co No. Cadjan, dated 12-10-1935

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. _____, dated C.R. 9/810/Alk 1935

Regno.

Messrs. Pamy & Co. are informed that the question whether distillation of Cashew arack at the Chowghat distly. is to be continued during next season cannot be decided before January next, when the Govt. will be in a position to know by examining the reports of local officers, the effect of the reduction in strength of the duty on Cashew arack, ordered in C.P. No. 1931/Alk d. 17.10.35, on retail price & consumption.

To Messrs. Pamy & Co

DESPATCHED
31 OCT 1935

10

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	18/12	
When copied ..	18.12	
When examined ..	19/12	
When signed ..		
When despatched.		

SUBJECT:—

Cashew anark - trade in certain parts of S. Kanara dt - effect of reduction in strength & duty - report.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. _____, dated C.R. 9484/ARK 1935

Coll's report received today.

P 18/12/35

P107 (H)

Rep.

The attention of ~~the Collr.~~ of S. Kanara & the D.C.S.D. is invited to para 4 of C.P No. 1931/Ark.D. 19.10.35 & they are requested to submit the reports called for therein very urgently.

P 18/12/35

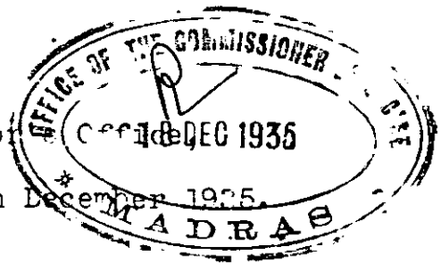
To ~~The Collr. of S. Kanara~~ The D.C.S.D.

18 DEC 1935

SR 16/12

TO

Ref. A4--4818--35.



South Kanara Collector's Office,

Mangalore, dated 16th December 1935.

CHENNAI
1333(

From

E. M. Gawne, Esq, I.C.S.,

Collector of South Kanara.

To

The Secretary to the

Commissioner of Excise,

Madras.

Sir,

Abkari-- Country liquor--Cashew arrack--sale in certain parts of South Kanara District--Reduction in duty etc.--effect on retail selling price and consumption--report submitted. 105-107

Ref:- Commissioner's Proceedings R. No. 1931 Abk. 35 dated 17th October 1935 and C.R.11760 Abk. 35 dated 19th November 1935.

I furnish below the retail selling prices of cashew and molasses arrack in Mangalore and Udipi Circles of this district before and after 1st November 1935.

	Cashew arrack per dram.	Molasses arrack per dram.
Before 1.11.1935.		
Mangalore Town ...	C 3 C	C 2 6 & C 2 8
Mangalore Taluk ...	C 3 C	C 2 6
Udipi Circle. ...	C 3 C & C-3-4	C 2 6
After 1.11.1935.		
Mangalore Town ...	C 2 6 & C-2-8	C 2 6 & C 2 8
Mangalore Taluk ...	C 2 6	C 2 6
Udipi Circle ...	C 2 6	C 2 6

It will be seen from the above figures that the retail selling price of cashew arrack has been brought to the level of that of molasses arrack in both the circles from 1.11.1935.

2. A comparative statement showing the consumption of cashew and molasses arrack in Mangalore and Udipi Circles from 1.4.1935 onwards is enclosed. There has been a slight increase in consumption

P.T.O.

of cashew arrack in the month of November 1935 in Mangalore Circle over the figures for the previous two months, due to the reduction in the retail selling price. But the consumption in Udipi circle in November 1935 shows a slight fall over the figures for the previous month. The Inspector of Excise, Udipi, reports that the consuming class as a whole do not relish the taste of Government cashew arrack. A difficulty in judging arrack is that to those accustomed to superior distilled spirits all arrack is unpalatable, largely because it is not matured before being put out for consumption.

3. The present reduction in duty of cashew arrack does not seem to have had any material effect on consumption so far. Probably it is too early to expect any substantial effect. The Inspector of Excise, Mangalore, considers that the stock of 1672 bulk gallons of cashew arrack now available in Mangalore warehouse together with the stock in the Chowghat Distillery will be sufficient to meet the demand for the next year and that there is no justification for the continuance of the experiment for another year. The Assistant Commissioner of Excise, Cannanore, does not agree with him. He still holds an optimistic view about the success of the experiment and recommends that it may be tried for another year as he considers that the present reduction in the retail selling price may increase the consumption hereafter. I consider that it is too early to form any opinion about the experiment and that it should be given a fair trial. It is at any rate a genuine attempt to meet a very serious state of affairs, namely illicit distilling by the public.

Yours obedient servant,

Collector.

13

Comparative Statement showing the monthly consumption of cashew and molasses arrack in Mangalore and Udipi circles of South Kanara Dt. from 1-4-1935.

Month	Mangalore circle.				Udipi circle.			
	Cashew		Molasses		Cashew		Molasses.	
	Gls.	Drs.	Gls.	Drs.	Gls.	Drs.	Gls.	Drs.
April 1935	1346	14	1833	42	-		1901	0
			C.P.2717	41	-		C.P.1490	20
May "	596	41	2888	15	-		2306	26
			C.P.3139	11			C.P.1900	0
June "	312	16½	2623	25	-		1957	37
			C.P.2784	15			C.P.1647	19
July "	234	39½	2547	36	-		1607	18
			C.P.2641	10			C.P.1453	3
August "	194	9	2330	32	-		1367	22
			C.P.2335	31			C.P.1113	30
September"	154	39	2465	46	61	27	1213	3
			C.P.2444	31			C.P. 802	22
October "	128	29	2450	27	203	4	978	32
			C.P.2273	31			C.P. 944	40
November"	187	24	2225	4	180	44	1085	20
			C.P.2161	39			C.P. 960	24
Total	3155	20	19565	35	445	27	12417	14
			C.P.20498	17			C.P.10082	14

South Kanara Collector's Office,
Mangalore, 16th December 1935.

Sd/- Madhavanand 16-XII
For Collector.

16.12.35.

3155-20
445-27
-47

Excise DEPARTMENT

14.

In reply, please quote number, date and short title.*

Received. Registered

OFFICE OF THE DEPUTY COMMISSIONER OF EXCISE
26 DEC 1935
M A R

From (Name) M.R.Ry.Rao Bahadur S.Muthuswami Ayyar Avl., B.A.,

(Designation) Deputy Commissioner of Excise, Southern division
Coimbatore

Post Box....., (Station).....

ABKARI
13633

Telegraphic Address.....

To The Commissioner of Excise,
Madras.

R.C. *No.* 974/35., *dated* 21-12-35 19

Sir,

Enclosures.....

.....

.....

Spare Copies.....

Cashew arrack-sale in certain parts of South Kanara district-reduction in duty and issue ~~of~~ strength-effect on consumption and retail selling price-report

---

Ref: Commissioner's proceedings R.No.1931 abk. dated 17-10-35

A 105-07 (H)

With a view to test the real demand for cashew arrack in the Mangalore circle and certain portions of Udipi circle of the South Kanara district the issue strength of cashew arrack was reduced from 30° U.P. to 35° U.P. and the duty on cashew arra was also simulatenously reduced to Rs.3-12-4 per gallon with effect from 1-11-35 with the result that cashew arrack was made available at the same price and strength as molasses arrac The effect of this reduction in duty and issue strength of cashew arrack as seen from the one month's experience in November 1935 is that there has been a slight reduction in the retail selling price of cashew arrack from 1-11-35. The retail selling price of cashew arrack was 3 to ~~4~~ 3½ annas a dram in Udipi and 3 annas a dram in Mangalore circle prior to 1-11-35 and since then it has been reduced to 0-2-6 a dram in udipi and 0-2-6 to 0-2-8 a dram in Mangalore circle i.e cashew arrack is now offered for sale at the same price as molasses arrack. There has thus been a reduction in price of 6 to 9 pies in Udipi circle and 4 to 6 pies in Mangalore circle in the retail selling price of cashew arrack per dram.

In spite of this reduction, the bulk of consumption is under Molasses arrack in both the circles. I enclose herewith a comparative statement showing monthwar figures of consumption of cashew

of cashew and molasses arrack from April to November 35 in Mangalore and Udipi circles. There is a slight improvement in the consumption of cashew arrack in Mangalore circle during November 1935 when compared with the two previous months with a slight fall in the consumption of molasses arrack. It cannot, with any accuracy be said that the fall in consumption of molasses arrack and the increase in consumption of cashew arrack in November 35 is entirely due to the reduction in duty and issue strength of casehw arrack. The reduction has been in force for only a month and its effect could not accurately be gauged in so short a time. This is further borne out by the fact that in Udipi circle consumption of cashew arrack which amounted to about 203 gallons during October 35-(prior to the reduction) came down to about 181 gallons in November 1935. On the other hand a slight increase is seen under consumption of molasses arrack (1085 x 979gallons) though the figures are yet below normal.

The Assistant-Commissioner, West coast sub division, reports that in the absence of any appreciable increase in the consumption of cashew arrack when the prices and strength of both molasses and cashew arrack were equalised, it cannot be stated that the consuming public have entertained any better taste for cashew arrack than for molasses arrack. It is also reported that the consumers as a class do not relish the taste of cashew arrack on account of an irritating sensation in their stomach. This may not be wholly true as otherwise it cannot justify the existence of cashew illicit distillation which is prevalent on a large scale in Mangalore, Karkal and certain portions of Udipi taluks. The reason why the consumption of licit arrack has not risen up to what it should have, may still be due to the cost at which it is offered in spite of the recent reduction. It is stated that the cost of manufacture of the illicit cashew arrack is about Rs.1-8-0 to Rs.2-4-0 a gallon and the liquor is generally stronger than the licit cashew arrack that is now supplied.

The Assistant Commissioner is of opinion that, from what he has seen

he has seen in the two circles, cashew arrack will find favour if it is made available at a still cheaper rate than the molasses arrack. The question is whether this is possible. It is likely that the cost of manufacture of licit cashew arrack may not admit of any further reduction so as to compete with illicit arrack.

The experiment has been on trial for 8 months now and during the major portion of the period, the price per dram was higher than that of the molasses arrack. There is an improvement in consumption since the price was reduced to the same level as that of molasses arrack.

The total consumption of arrack in the two circles till end of November 35 is 31,783 gallons and 9 drams against 30,581 gallons and 31 drams, of this 3,600 gallons and 47 drams were cashew arrack. This arrack appears to be in demand by the higher class Roman Catholic population of South Kanara only.

So far as crime is concerned, the introduction of cashew arrack does not seem to have had any appreciable effect. In the Mangalore circle 131 cases under IV and V have been reported in the current year against the same number in the corresponding period of last year.

It is yet too early to arrive at a definite conclusion ~~definite conclusion~~ about the success or otherwise of the experiment especially as the price in shops has been reduced from November only.

It is reported that a stock of 4,678 gallons of cashew arrack is in store in the Mangalore warehouse besides the quantity in the Chowghat distillery. If that is also about the same quantity there will be no need for further manufacture during the coming season as the demand for a year is not likely to exceed about 9,000 gallons per year, but the sale of the arrack in the shops may be continued and the results watched.

For Deputy Commissioner.

S.M.22.12

Statement showing monthwar figures of Consumption of Cashew and molasses arrack from April to Novr. 35

	Consumption in Bulk gallons								Remarks.
	Udipi circle				Mangalore circle		Total		
	Cashew arrack		molasses arrack		Cashew arrack	molasses arrack	Cashew arrack	molasses arrack.	
	G	D	G.	D	G	D	G	D	G	D	G	D	
April 35	.	.	1901	.	1346	14	1833	42	1346	14	3734	42	
	.	.	1490	.	.	.	2717	41			4208.	13	
May 35	.	.	2306	26	596	41	2888	15	596	41	5194.	41	
	.	.	1900	.	.	.	3139	11	.	.	5039	11	
June 35			1957	37	312	16½	2623	25	312	16½	4581	14	
			1617	19	.	.	2784	15	.	.	4401	34	
July 35			1607	18	234	39½	2547	36	234	39½	4155	6	
			1453	3	.	.	2641	10			4094	13	
August 35			1367	22	194	9	2330	32	194	9	3698	6	
			1113	30	.	.	2335	31	.	.	3449	13	
September 35	61	27	1213	3	154	39	2465	46	216	18	3679	1	
			602	22			2444	31			3047	5	
October 35	203	14	978	32	128	29	2450	27	331	33	3429	11	
			944	40	=	=	2273	31			3218	23	
November 35	180	44	1055	28	187	24	2225	4	368	20	3310	32	
			960	24	=	=	2161	39			3122	15	
TOtal	445	27	12417	22	3155	20	19365	35	3600	47	31783	9	
			10053 Before 1-11-35				20498	17			30581	31	
Retail selling price per dram	Cashew		0-3-0		0-3-3		0-3-0						
	molasses		~~0-3-3~~		0-2-6		0-2-6 to 0-2-8.						
	after 1-11-35												
	Cashew		0-2-6				0-2-6	to	0-2-8.				
	molasses		0-2-6				do		do				

445 27 12417-22
14 Rs.
31783-9

For Deputy Commissioner

Fin 22.12.35

Rev 24/12

T. M.

To Messrs. Pang & Co.
Madras

Please say at once the stock of Cashew awaiting at present in the Mangalore W. H. & in the Chowghat dist.

SB/ili. 3/1/44

19

C.F. 304—2,315 Bks.—12-1-35.

OFFICE OF THE _____

Dated 3.1. 1936.

3 Hours 15 Minutes

TELEPHONIC MESSAGE

From Imm. Pany & Co

To The Secy

Bhi Tamm. of Secni

Cochin Annadc - Route.. Zam T.m.

of Dates.

At. Chompat - Daily. 165 7 Sales.

) 35 Imp.

Mayalam w. 64. 407 5 -

of 35 Imp. Total 6034.

Bhi Vijaya excludes Routes.

of Depots.

In reply, please quote number, date and short title *

Excise DEPARTMENT.

Received. Registered 6-JAN 1936

From (Name) M.R.Ry.Rao Bahadur S.Muthuswami Ayyar Avl., B.A.,

(Designation) Deputy Commissioner of Excise, Southern divisio

Post Box ....., (Station) Coimbatore

Telegraphic Address.....

ABKARI 15V

To The Commissioner of Excise

Madras.

Re No. 974/35 nil, *dated* 2nd January 19 36.

Sir,

Subject: Cashew arrack-sale in certain parts of South Kanara district-reduction in duty and issue strength-effect on consumption etc.report

Enclosures .....

Spare Copies .....

In contimuation of my letter R.C.974/35 dated 21-12-35 I submit the following report after personal inspection, and making enquiries on the spot.

2. The object of putting cashew arrack for sale in arrack shops of some places in the South Kanara district is to test whether there is a real demand for casnew arrack in the Mangalore taluk and to test the correctness of the claim that cashew arrack is genuinely required by the public more for its inherent qualities than for its cheapness as an illicitly distilled and therefore untaxed article of consumption--please vide Commissioner's proceedings R.725 abk.34 dated 27-4-34. The stages through which the experiment has passed are detailed below:-

The arrack was put on sale in the arrack shops of Mangalore taluk from 1-4-35. The strength of cashew arrack was 30° U.P. and issue price was fixed at Rs.6-8-10 per gallon at the warehouse or just over 0-2-2 1/5 per dram. The shop keepers were selling at 0-3-0 to 0-3-3 per dram. During the first fortnight of April 1935 there was very considerable demand for cashew arrack on account of its newness. Thereafter it weakened. The price per pint of bottled cashew arrack was about

as.15

as.15 to Re.1. As molasses arrack was sold cheaper, it was thought that it might be due to the higher price charged that the cashew arrack was not able to complete with molasses arrack. From 1-11-35, the strength of cashew arrack was reduced to 35°U.P and the issue price to Rs.5-10-1 per gallon or 0-1-11 per dram. The renters have been selling at 0-2-6 per dram or half an anna less than before. The price per sealed pint bottle of cashew arrack was about as.15 till 1-11-35 and now it is as.13 (though I hear they are selling at as.14 also). The figures of consumption from 1-4-35 to December 1935 are furnished below for the Mangalore town shops:-

Month.	1st to 10th				11th to 20th				21st to end of month				Total			
	Molasses		Cashew		Molasses		Cashew		Molasses		Cashews		Molasses		Cashew	
	G	D	G	D	G	D	G	D	G	D	G	D	G	D	G	D
April	231	-	373	24	411	-	206	-	421	-	156	24	1063	-	736	-
May	500	-	107	24	528	-	81	14	540	24	70	32	1568	24	259	22
June	520	-	54	40	483	-	50	-	452	24	45	16	1455	24	150	8
July	483	-	42	21	463	24	40	31	441	-	31	12	1387	24	114	16
August	458	24	30	8	398	24	27	26	481	24	28	44	1338	24	86	30
September	513	-	28	34	398	24	27	4	393	-	26	8	1304	24	81	46
October	616	-	33	20	481	-	29	32	455	24	25	24	1552	24	88	28
Novr.	460	24	28	26	497	-	32	26	413	-	27	14	1370	24	88	18
Decer.	454	-	28	32	486	-	35	24	334	-	21	12	1274	-	85	20
									upto 28-12-35				12314	24	1690	-

It will be observed that only 12 per cent of the sale relates to cashew arrack. If we exclude April figures, the percentage comes to 7.8 only. Next taking crime figures, 189 cases relating to I.D. and kindred offences were detected in 1934-35 and 129 cases in the current year till December end in Mangalore. Details are below:-

Statement of I.D.cases reported in 1934-35 and 1935-36

Statement of I.D.cases reported in 1934-35 and 1935-36

Year	Cashew arrack cases				Other arrack, jaggery, palmyra toddy cocoanut toddy &c.					
	No.	cashew arrack seized		wash seized	No.	jaggery & molasses arrack seized		wash etc. seized		
		G	D	G D		G	D	G	D	
1934-35.	35	4	18 1/8	48 40 1/2	154	31	27 1/2	153	4	
35-36 (upto end of Decr)	41	11	17 1/2	47 12	88	19	5 3/8	60	21	

It will be observed that out of a total of 189 cases reported under I.D and kindred offences in 1934-35, only 35 cases or 18.5 per cent related to cashew arrack. The figures for 1935-36 are:-

Total Number	129
Relating to cashew arrack	41
Per.centage	31.8

The observations made from the crime figures above are (1) that the I.D.crime in South Kanara district relates more to toddy arrack than cashew arrack and (2) that the introduction of cashew arrack has not tended to reduce crime; the crime figures under cashew I.D have increased. Therefore the menace to revenue was not from I.D of cashew arrack.

The figures above and observations made show that there is not such a great demand for cashew arrack in Mangalore area and that cashew arrack is not genuinely required for any inherent quality it has.

In the beginning it was reported that people felt an irritating sensation in the throat and stomach when they took cashew arrack and that it caused stomach disorders. These statements were not true at all. There is no complaint at all now that cashew arrack is having any injurious effect on the consumer. The fact appears to be that the class of people who resort to arrack shops do prefer molasses arrack to cashew arrack.

Enquiries show that it is only the higher class of Christians who require cashew arrack. What they want is cashew arrack matured for two ~~days~~ years at least in wooden casks. In Goa cashew arrack is manufactured almost free and kept in store for one or two years. They say that our cashew arrack is not so good as Goa cashew arrack. It seems also probable that the higher class people who want cashew arrack are able to get it clandestinely from Goa. Country cargo boats come to the coast to take tiles from the factories and they smuggle some bottles of cashew arrack. The tile factories are all on the coast and smuggling is facilitated. The crime to be tackled is such smuggling and special attention is being paid to it.

Since the demand for molasses arrack is far greater than for cashew arrack at the same price, it seems that the claim that cashew arrack is in genuine demand on account of its inherent qualities is not correct. I do not suggest that the experiment should be given up. It is on trial for 9 months only and the price of cashew arrack has been reduced since 1-11-35 only.

I have been considering how best to improve the consumption of cashew arrack. I thought of the possibility of converting one (or even two) of the existing arrack shops in the Mangalore town into shops for sale of cashew arrack only. The renters of Mangalore town shops tell me that the experiment will not be a success at all and that it is not likely that anybody will be willing to take a cashew arrack shop because the demand is so poor. Importing of cashew arrack from Goa will not be a success because such arrack is liable to duty at the tariff rate and the cost per quart bottle of Goa arrack will be about Rs.5. The most of the people will be willing to pay for cashew arrack is 1-8-0 per bottle.

Seeing that cashew arrack is favoured only by a small section, viz. the higher class christians, it will perhaps be desirable to allow sale of bottled cashew arrack by the F.L.2 merchants of Mangalore. It will be necessary to modify the fixed fee notification to declare that cashew arrack will be

be treated as F.L. also for purposes of sale only. It can then be sold by the F.L. merchants at 0-11-0 to 0-12-0 per pint bottle (cost to the shop man will be 0-7-8 plus 0-2-6 bottling) and about 1-4-0 per quart bottle (8 drams--0-15-4 plus 0-3-6 bottling about). The local arrack shop renters say that their sales will not be affected by allowing this. Such of the arrack shop keepers who require it may be allowed to sell cashew arrack by the dram in their shops both in Mangalore and Udipi circles. The limit of private possession of cashew arrack may be raised to 8 drams.

There is a stock of 4,382 bulk gallons of cashew arrack in the Mangalore warehouse, and 1656 bulk gallons in Chowghat or 6,038 gallons. This will be about the requirements for a year. If it is proposed to continue the experiment, the question of distilling cashew arrack to the extent of about 6,000 gallons and allowing it to mature for a year or more may be considered.

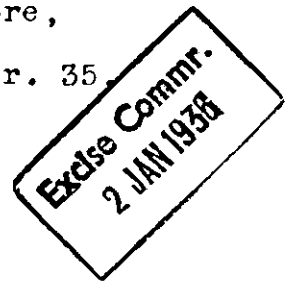
Mr. Sreshta is of opinion that the price of arrack (molass or cashew) should be not more than 2 annas per dram. He says that wages in the area have come down from 0-8-0 to 0-6-0 per diem and that the labourers feel a hardship in paying two annas per dram of arrack. The price of coffee has fallen considerably in Mangalore. Should it be decided to introduce maximum prices in Municipalities, 0-2-0 per dram may be fixed as maximum price for South Kanara district.

2.1.36.
Deputy Commissioner.

S.M.2.1.36
2.1.36

Coimbatore,

24th Decr. 35.



My Dear Sir,

As directed on the diary of West Coast A.C., I submit herewith a Note on the question of allowing import of Goa arrack into South Kanara and treating it as Foreign liquor. I wanted to send my note after talking to the respectable consumers at Mangalore but have not yet been able to do so as I had urgently to go to Trichinopoly to look into the affair of the group toddy shops and am now investigating the question of marking in Nanjundeswaram as directed. Soon after I finish the work here, I shall proceed there and consult Messrs. Shreshta, Saldanha and others and suggest any alteration if required in my note.

With best respects,

Yours sincerely,

S. Muthuswami

Excise Commr. 2 JAN 1936

Note

Ref: Commissioner's remarks on West Coast Assistant Commissioner's diary for week ending 30-11-35-"Why not allow importation of cashew arrack from Goa and treat it as foreign liquor? Let me have a note on this".

Goa being a Portugese settlement, any liquor imported from Goa will be assessed to duty at the tariff rate. The current rate is Rs.37-8-0 per proof gallon. For 35° U.P. liquor this works out to Rs.24-6-0 per gallon. Adding Rs.2-8-0 roughly for cost of liquor, transport, bottling &c., the cost of 1 gallon of 35° U.P. Goa cashew arrack will be Rs.26-14-0 or Rs.27 per gallon. This works out to Rs.4-12-0 per bottle and adding the seller's expenses and profit, the liquor can be sold at a minimum price of Rs.5 per ~~gallon~~ quart bottle or 10 annas a dram. This is a prohibitive price for the consumer and I do not think there will be any demand for such high priced liquor. Nor will it be possible to see that the liquor is sold at a less price, because the Government of India will insist on the tariff rate of duty being paid. And the duty collected will not go to ~~the~~ benefit the local Government as import duty will go to the Central Government.

Now we have both molasses arrack and cashew arrack on sale in the arrack shops of portions of the South Kanara district. Cashew arrack is in demand by the higher and middle classes of Christian population and molasses arrack by the poorer labourers The price of casnew arrack and molasses

molasses arrack in shops is the same now, whereas the price of cashew arrack by the dram is ~~0-2-6~~ 0-2-6, it is 0-14-0 per bottle of 4 drams or 0-3-8 per dram. I would suggest that cashew arrack in bottles may be allowed to be sold in F.L. 2 shops. At present they cannot do so. It is the higher classes that want cashew arrack and they would like to have the arrack in pint and quart bottles. The limit of private possession of cashew arrack may be raised to 8 drams. In order to reduce the cost of bottling, the F.L.2 licensees may be granted a licence to bottle, taking cashew arrack in bulk from the warehouse; or they may be given permission to bottle in the warehouse itself. The licensees could probably do the bottling at a cost of 0-1-6 per bottle. Then they could put on the market pint bottles of cashew arrack at 0-11-6 per bottle or even ~~a t~~ a bit less.

My suggestions are:-

1) Cashew arrack (Chowghat) may be allowe to be sold by dram in arrack shops,

2) Cashew arrack bottled by Messrs.Parry & Co., may be allowed to be sold in F.L.2 shops of Mangalore and Udipi circles,

3) that the limit of private possession of cashew arrack may be raised to 8 drams

4) Such F.L.2 licensees as require it may be allowed to bottle cashew arrack in the warehouse, ~~they~~ (they) being allowed to bottle in pint and quart bottles, and

5) that the F.L.2 licenses fees of the F.L.2 shops be raised by 10% unless

unless gallonage system is introduced.

S. Muthuswami

Deputy Commissioner.

C.R. 9484 Abk/35- A.

Cashew arack. experimental distillation & Sale - 1936-37. reduction in Cost price.

Office Note and Commr.'s orders in C.R. 3272 Abk. of 1935.

Messrs. Parry and Co., have been given a license to manufacture coconut toddy arrack at the Chowghat - distillery for a period of three years from 1-4-35 It is not therefore possible to invite tenders for the manufacture of cashew arrack at that distillery during the coming cashew season. It is now proposed to make cashew arrack available at the same price as that of molasses arrack (the Government bearing the cost of reduction) The effect of this on demand has to be watched before it is decided to continue the - experiment. The immediate question for the next year may therefore be to asdertain whether the existing - contractors will be willing to reduce the price and if so to what extent. For orders.

"Yes - Open a file."

J.F.H.

Sir,

Draft Submitted.

Note Contd.

Ref. to Messrs. Parry & Co. No. C.R.9484/Abk/35 dated 20.9.35 from do d. 26.9.35.

Submitted for perusal. The further

Letter Concerning Price
may be awaited.

₹ 30

Rs 4 x 15 =

SR 3/10.

Note Contd.

From Messrs. Parry & Co. dt. 12 & 16.10.35. ff 4 - 8 cf

Messrs. Parry & Co. were requested to report, whether, if it is decided to Continue the experimental distillation of Cashew waste next year, they will be willing to undertake the distillation of Cashew waste at the Cannanore distly. & whether they will be willing to reduce the issue price of this waste ex-Mangalore W.H. & if so to what extent.

The Coy. state that they are willing to undertake distillation of ~~the~~ the new waste ff 3 cf
at the Cannanore distly. during ~~the~~ next season.

Concerning issue price, they quote a price of Rs. 2.6.0. per gallon of 30° U.P. 11.0-5 cf
at the W.H. subject to certain conditions.

They estimate that an expenditure of about Rs. 1000/- may be necessary for repairs & replacements. In the event of distillation 105-cf
being

being required they request to be advised not later than the end of the month, to make the arrangements necessary

The Coy. have not made any material reduction in the wine price. The strength of Cashew arack has been reduced to 35° U.P. According to the price they have now quoted, viz. Rs. 2.6.0. per gly 30° U.P, the price per gallon of 35° U.P. works out to Rs. 2.3.3. The price of molasses arack is only Rs. 1-6-6. per gl of 35° U.P. at the Mangalore W.H. Cashew arack is to be marketed at the same price as molasses arack, as a reduction in the duty on Cashew arack will have to be made at the rate of i.e. 0.12.9. per gallon. i.e. a further reduction from the existing rate of duty of Rs 3-12-4 to Rs 3.6.10.

Duty on (molasses arack) 4-3-7 (Rs. A-P) (Basis of 35°)
Do. Cashew arack from 1-11-35 3-12-4
0.7-3.
5.6

Present wine price 1-13-9
1-6-6

(It is reported that the existing stock of Cashew arack is about 5'000 gls. of 30° U.P & that it will take some 13 months to clear this at present rates)

It will not be possible to say now, whether the experimental distillation will be continued next year. The strength of Cashew arack & the duty thereon have been reduced

the effect of this on Consumption has
to be watched. The C.P.I. & D.C. have been
requested to report on this by the 15th June
by then we can decide whether the distillation
~~experiment~~ is to be conducted next year.
Moreover, it has been separately suggested
to the Company that the adoption of
the Expression method of steaming the fruit
or the extraction of the juice & fermenting
it with yeast, is expected to reduce the cost
of production & they have been requested to
advise on this. Their reply has not yet been
received.

Ask Govt. further to say that it is one factor which must govern the decision whether the experiment is or is not to be continued

In these circumstances the Govt. may now be informed that the question whether distillation is to be continued or not at Cashew cracks at the Chowghat Unit during next season will be decided before ~~enquiry~~ ~~is~~ ~~made~~ January next when we will be in a position to know by examining the reports of actual expenses, & the effect of the reduction in strength & duty on Cashew cracks on retail prices & Consumption.

Yours

P.T.O.

Sir,

Draft submitted below.

A reminder to Messrs Parry & Co.'s submitted in the linked file below with ref. to order at A on previous page.

Rm 28/03.

SK
28/10

Note Contd.

With ref. to para 4 of C.P. No. 1931/ Adk. d 17.10.35 the Collr. of S. Kanara & the D.C.S.D. may be requested to submit their reports urgently.

Draft submitted below.

Rm 28/10/35

SK 16/12

Note Contd.

From the Collr. of S. Kanara - A. 4. 4818/35 d 16/12/35
D.C.S.D. R.C. 974/35 d. 21.12.35.

Please see pp. 105-107 (H).
The nine strength of the duty on Cochineal

from 1.11.35
were reduced/ ~~to the level of those of~~
~~neighbouring ports from 1.11.35~~, to test the
real demand for Cashew anark in
certain parts of S. Kanara dt. The reports
of the Collr. of S. Kanara & the D.C.S.D. on
the effect of this reduction are on pp 11-16. c.f.

It is observed that there has been
a reduction in the selling price of Cashew
anark ~~corresponding to the level of the duty claimed for the Kolls anark.~~
~~duty there~~. But the Consumption of Cashew
anark has not been much affected, increased
to any large extent. During November 1935
here is an increase in Mangalore ⊙, but
a fall in Udipi ⊙. Please see the statt.
on p 13 c.f. The Collr. & the D.C. observe
that it is too early to ~~expect any substantial~~ arrive at any definite pp 12 & 16 c.f
~~effect on the reduction in duty~~ Conclusion.

Cashew anark sale in	Mangalore ⊙	Udipi
Aug.	194	61
Sept.	154	61
Oct.	128	203
Nov.	187	180

It is ascertained from Messrs. Pai
that the quantity of ~~—~~ Cashew anark
still in ~~st~~ stock in the Mangalore W.H. &
in the Chowghat daily is 60 34 gallons of ~~the~~ p 19 c.f
35° U.P., besides the stock in depots. The
total Consumption of Cashew anark in the
Mangalore & Udipi ⊙s, from 1-4-35 to the end of November p 13 c.f
(8 months)
~~—~~ about 3600/- gls.. It appears that

the existing stock may be sufficient for ...for the next year.....

The Coy. have not made any material reduction in the Cost price for manufacture. Price quotes by them indicates a further reduction in duty in the coming season. Moreover a sum of Rs. 10000/- will have to be spent over repairs & additions to the Chowghat distly of distillation of Cashew arrack is to be considered.

In these circumstances, the suggestion of the D.C.S.D. that there will be no need for further manufacture during the coming Cashew season, & that the sale of the Cashew arrack in shops may be continued next year & the results watched, may be accepted, & the Govt. informed accordingly.

Please see further notes below Pg 10 3b

SK 3/1

3/1/56

The quality of Cashew Arrack has on par, though a little more Methanol by 0.1 9 Months' stock is considered a fair stock

2

1 the Goa Standard which is more mature, being over 8 years old. Under existing conditions it is not practicable to produce a better quality except by longer storage. The experiment in the ensuing Cashew Season can only be judged if it considers that the quality should be improved. The present stock on the basis of 9 months reserve, with beg. of 1 December 36, and Cashew spirit of distilled in the first season, with the 9 months old before issue.

In order

32/6/36 — — — Letter Re No 934(35 d) 2.1.36 from the SD —

Further Note- Please see further report now received from the D.C. at PP. 20-24 C.F. His suggestions are (i) that the sale of cashew arrack may be permitted by bottles in the F.L.2 shops of Mangalore and by dram in the arrack shops of Mangalore and Udipi circles. (2) that the limit of private possession of cashew arrack may be raised to 8 drams.

At present cashew arrack can be sold in all the arrack shops in Mangalore and Udipi circles. Bottled cashew arrack is to be issued if there is a demand for it, to the shops in Mangalore town and taluk. There will be no serious difficulty in extending the privilege of sale of cashew arrack in bottles to the F.L.2 shops of Mangalore. It will still be a country liquor since duty is not levied at the tariff rate and the sale ~~to the pub-~~ ~~lic~~ may be restricted to the public and to quantities not exceeding 8 drams at a time to one person. Under the existing rules a

We have also to consider the stoppage of illicit Cashew arrack passing into Consumption. It would therefore be advisable to continue the manufacture in the coming Cashew Season with the fresh stock issue from Dec 36 or Jan 37 when the present stock runs out. We can never hope to replace molasses arrack by Cashew arrack as the latter cannot be drunk to the same extent regularly as molasses arrack. The demand for Cashew arrack is confined mostly to a special class of the population (from the Catholic Christian). But there is an appreciable amount of IR Cashew liquor passing into Consumption in S. Kanara which has to be prevented as

a bottling licence can be issued only to holders of wholesale licences and to licensed distillers. The arrack has therefore to be issued in pint and quart bottles by the distiller. But the main point for consideration is how far a sale in F.L.2 shops will conduce to greater consumption. The D.C. states that it is only the higher class of Christians who require cashew arrack. The price at which cashew arrack is sold in the shops cannot be said to be beyond the capacity of the higher class of christians to pay and the sources of supply of cashew arrack are conveniently nearby. The D.C. states that F.L.2 licensees may be able to put on the market the bottled arrack at a cheaper price than that now obtaining in the arrack shops. The difference in price works out to about 2 annas only on a bottle of four drams. For orders whether any change need be made in the existing arrangements in the direction suggested by the D.C.,

As already stated there is a stock of about 6000 bulk gallons of cashew arrack in the Warehouse and the distillery and the distiller has a claim on the Govt., for the cost of unsold stock. Further distillation in the ensuing season may be necessary only if it is decided to put on the market matured arrack. For orders.

Reference is solicited to the last para of the D.C.'s report. The proposal to fix maximum price in Municipal shops has been dropped.

is an anomaly as the shops at present are
and to sell only imported foreign liquors and
duty-made foreign spirits; and there must
be sufficient justification for any change. There
are more Arrack shops than the shops in
Mangalore Town and the location of the
Arrack shops affords greater facilities to the
Indian Christians to draw their requirements
than the Toddy shops. The Arrack Shop Keeper
has no temptation to charge for bottled liquors
anything more than the cost in bulk plus
cost of bottle. But as told me by some
of the Indian Christians, the Shop Keeper raises
the price of bottled liquor by an anna or two when there is
a demand and there is no uniformity in sale
price. Prices are not fixed in the Toddy
licences and there is no guarantee that
if permitted to sell Cashew Arrack in bottles,
the Toddy licensees will sell the arrack cheaper
than all shops. The practicable solution
would appear to be to fix the price of
Cashew Arrack per dram. Bottled and
bottles of shops as issued on the maintenance
of a minimum stock in bulk as bottles.
There should be not less than ½ gallons of
bottled liquor in each shop for sale.
The raising of the limit of private
possession of Cashew arrack to 8 drams

Mangalore Town
each Shop at 6.
Toddy shops -

There is no case
for allowing sale of
Cashew arrack in
the Toddy Shops of Mangalore
nor any need for it.
We may call
for the views of
the Collr of the dist.
about fixing the
price that may be
fixed for bottled
Cashew arrack
in Arrack shops. It
should suffice to give
the Shop Keeper an
extra 3 ps. per bottle

7.42180

Agmt 7.1.80

Not be an encouraged licensing. Mangalore Town is responsible for unlicensed sales of arrack in Toddy Shops and a larger quantity available without a licence with facilities for unlicensed sales. This would be a reason which if by raising the limit of possession the quantity of which before passing into consumption will be reduced.

It does not appear desirable to raise the limit above 4 ozs for cashew arrack alone - particularly in Mangalore as it will be well nigh impossible to prevent a ~~very~~ large increase in illicit sale.

Phy 2186 /

Sgnd/ 17.10.26.

The limit of private possession for cashew arrack only may be raised to 8 drams as a temporary measure.

The selling price of 2 rs 6 p per dram is not too high when compared with the selling price and economic conditions in other districts. The Christians of Mangalore originally came from Goa as they have their intercourse with their community in Goa. They are responsible in temperament - probably due to Portuguese tradition - and may be same liberty as their brethren enjoy in Goa unless there is a change in mentality the incentive to illicit illicitly is not likely to lessen and a further reduction in selling price will is not likely to improve matters. The C Committee that the effect of a reduced Selling price should be watched the Selling price may be reduced to 2 rs a dram In my opinion and from observations made

of

any other alterations [proposed] Changes made [by] Govt
with the wishes of the Govt. to do the desired
Objections of the Natives of Mysore & to Specially
[illegible] and with [illegible] in any way the
[illegible] benefit & the basis of the working (following)
Changes.

3d
9/36

R 7/2/36

The experiment of making black cashew arrack
has in no way been justified by results.
I am not prepared to recommend the retention
of this until we have before us the results
of disposing of the existing stock which lasts
as though it will last for a year or so.
We are losing on the manufacture of black cashew
arrack as against molasses arrack - losing heavily -
it seems to me this that is what it is
doing instead of replacing 13. cashew arrack.

17.1.36

2/1

Note Contd.

It may be reported to the Govt.
that Cashew arrack need not be manufactured
in the evening season & that the sale of Cashew arrack
~~the existing stocks~~ will be continued as at present
in

in the shop arrack shops of Mangalore - Udupi Co, during 1936-37 with the existing duty & issue strength till the existing stock is sold out.

As the Comm's order Notification has to be published in the next week's gazette it may be stated in the rep. to the Govt. that the Comm. has issued orders accordingly in anticipation of the approval of the Govt.

Draft to the Govt. the local officers submitted herewith.

Put up to 8/6

Approved 9.1.36

S.B. 8.1.36

42

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied .		
When examined..		
When signed ..		
When despatched.		

SUBJECT :—

Cashew arrack - distillation - sale in certain parts of Kanara Dt - 1936-37 - orders passed

READ AGAIN ....., dated ..... 19....

" " ..... " ..... 19....

READ *ALSO* :—

No. ..... From the Coll. of Kanara No. A-4-6518/35 dated 16.12.35 19....

" ..... " DES D - 974/35 dated 21.12.35 & 2.1.36

" ..... " ..... " ..... " ..... 19....

Order / Resolution — Ms. / Rout. No. ....., dated CR 9484 of 35. 19....

C. P. R. No. 119

Prog.

There will be no distillation of Cashew arrack at the Chowghat depôt in the ensuing Cashew fruit season. The sale of Cashew arrack will be continued as at present during 1936-37 in the arrack shops of Mangalore and Kasaragod. There will be no change in the existing rate of duty on and issue strength and the limit of private possession of Cashew arrack.

2/ The Commr does not

propose to allow the sale of Cotton
arrack manufactured at the Chowghat
distly in the F.L.2 shops of Mangalore as
suggested by the Dc
3/ It is reported that the retail
price of 4 Rams of bottled Cotton arrack
in shops ranges from 13 to 14 as
as against which the price on the
same quantity sold on draught
is only 10 as. The extra allowance
given to the Contract suppliers to cover
the cost of bottle, bottling etc is
only 2 as 6 pies per bottle. The
Comm. sees no reason why the vendor
should be allowed, to charge more than 3 pies
per bottle over the retail rate
he charges for a quantity of 4 Rams
on draught plus the allowance given
to the Contract suppliers towards the
Cost of bottling. The Collr of Skanara and the Dc
are requested to report urgently whether
an addl allowance of 3 pies per
bottle would not suffice for the
Shop keeper and whether this
may not be specified in the shop licence.

RESPATCHED
JAN 1931

20.1.26

21

To
The Collr of Skanara
Dc SD, Dc W.C. & Dc Bel
Supdt of Mangalore & Dist ©
(with Dc)
Copy
Collr of Malabar.
Dc Chowghat
Supdt Salt ©
Wdo Mangalore
Messrs Parry & Co. Madras

para one

SUGAR & SPIRIT DEPT.

44

The East India Distilleries & Sugar Factories Ltd.
(INCORPORATED IN ENGLAND)

PARRY & CO., LTD.,
MANAGING AGENTS.
TELEGRAPHIC ADDRESS:-
"DISTIMULO."

OFFICE OF THE COMMISSIONER OF EXCISE
26 JAN 1936
MADRAS

Madras, 23rd January 1936

The Secretary to the Commissioner of Excise,

Chepauk,

M a d r a s.

Sir,

Cashew Arrack - distillation - sale in certain parts of South Kanara District 1936-37 - orders passed.

We have the honour to acknowledge with thanks the receipt of your letter R.No.119 Abk.36 dated 21st instant.

We have the honour to be,

Sir,

Your obedient servants,
for PARRY & Co.Ltd.,

Asst.Manager
Managing Agents.

CVM

Encl.

K 25 mv 22/11/35

45

C.F.10.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..	22/11/35	
When examined ..	23/11	
When signed ..		
When despatched.		

SUBJECT:—

Cashew arrack-experimental distillation-sale in certain parts of South Kanâra district-result-report to the Government.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. _____, dated _____ C.R.9484/Abk. _____ 1935.

K 69 (11)

K 11 CA

K 17 CA

Reference.

The Commissioner invites the attention of the Government to G. O. No. Mis.2405/Rev. dated 11-10-35. With reference to the orders therein the issue strength of Cashew arrack has been reduced to 35° U.P. and the duty was fixed as Rs.3-12-4 per gallon of that strength with effect from 1-11-35.

It is reported that the retail selling price of cashew arrack in shops has been reduced to the level of that of molasses arrack as a consequence. But this had no material effect on consumption of cashew arrack during Nover., 1935. When compared with the figures of the previous month there was only a slight increase in the Mangalore circle, while in the Udipi circle there was a decrease. A statement showing the consumption of Cashew and

molasses arrack in the two circles till the end of November 1935 is enclosed from which the Government will observe that the bulk of the licit consumption in the areas concerned was of molasses arrack even after the retail prices were equalised. It is reported that cashew arrack seems to be in demand only by the higher class of the Roman Catholic population. There has been so far no indication of a justification of the claim that cashew arrack is genuinuely required by the public more for its inherent qualities than for its cheapness as an illicitly distilled and therefore contraband article of consumption. The introduction of licit cashew arrack has had practically little effect in reducing I.D. crime. Figures reported in Mangalore circle under I.D. and kindred offences relating to this kind of arrack were 35 during 1934-35 and 41 up to December in the current year. The Commissioner doubts whether Illicit Distillation of cashew arrack is the result of a demand for cashew arrack. It really seems to be the result of the position that the cashew is the material most readily available for Illicit Distillation.

2/- In the circumstances the Commissioner is of the opinion that the experiment of making licit cashew arrack has in no way been justified by results so far. He is not therefore prepared to recommend to the Government the repetition of it until the results of disposing of the existing stock are known. There is still a stock of about

about 6,000 gallons in Chowghat Distillery and Mangalore warehouse which, at the present rate of sale, looks as though it will last for a year or so. The Government are losing on the manufacture if licit cashew arrack replaces molasses arrack — losing heavily — and it seems to the Commissioner that that is what it is doing instead of replacing I.D. cashe arrack. 3/ The Commissioner therefore proposes that there should be no manufacture of cashew arrack in the ensuing season and that the sale of the existing stock may be continued as at present in the arrack shops of Mangalore and Udipi circles during 1936-37 with the existing duty and issue strength.

4. As the Commissioner's notice of the sale of Abkari and Opium privileges for 1936-37 has to be published in the next week's issue of the Fort St. George Gazette, he has issued orders as in para 3 ~~above~~ in anticipation of approval by the Government.

20/1/36

21/1/36

To

The Secretary to Govt.
Revenue Dept.
(with 1 enc)

DESPATCHED
- 7 JAN 1936

ARKARI
1095

48

GOVERNMENT OF MADRAS

OFFICE OF THE COMMISSIONER OF EXCISE
25 JAN 1936
MADRAS

Revenue Department.

Memorandum No.211, D/36-1, dated 20th January 1936.

Excise - Cashew arrack - South Kanara - Experimental Distillation and sale - Continuance of the experiment - Report - G.O.Ms.2405, Revenue, dated 11th October 1935.

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attention of the Commissioner of Excise is invited to paragraph 2 of G.O.No.2405, Revenue, dated the 11th October 1935.

The ~~Govt~~ commissioner is requested to expedite the report called for therein.

Reply despatched already

P.K.Chandrasundara Mudaliyar,
Assistant Secretary.

Tothe Commissioner of Excise.

Forwarded.
(By order)

D.R. Ingarajan 24.1.36
Superintendent.

CN/23.

GOVERNMENT OF MADRAS

49

OFFICE OF THE COMMISSIONER OF EXCISE
10 FEB 1936
MADRAS

Received ____ 193 Registered ____ 193

ABKARI
1751

Abstract.

EXCISE -

Cashew arrack - South Kanara - experimental distillation and sale - continuance of the experiment - Manufacture of cashew arrack in the ensuing season - stoppage - Commissioner's proposal - Orders passed.

R E V E N U E DEPARTMENT.

G.O. No. Ms. 262, dated 6th February 1936.

ENCLOSURES.
No.

p44 (E).

READ the following paper :—

G.O. No.P. 673, Revenue, dated 4th April 1934.
G.O. No.Ms. 2405, Revenue, dated 11th October 1935.

From the Commissioner of Excise, C.R.No.9484-Abk./35, dated 21st January 1936.

pp1-34

O R D E R -

In the circumstances reported by the Commissioner of Excise, the Government accept his proposal that there should be no manufacture of cashew arrack in the ensuing cashew fruit season, and that the sale of the existing stock of cashew arrack should be continued, as at present, in the arrack shops of Mangalore and Udipi Circles during 1936-37 with the existing duty and issue strength.

SR

2. The action of the Commissioner in having issued orders as in paragraph 1 above in anticipation of the approval of the Government is approved.

(By Order of the Govt., Ministry of Edn. and Public Health).

H.R. UZIELLI,
Secretary to Government.

To the Commissioner of Excise.
To the Finance Department.

(P.T.O.

C.R. 94824/ABK. 35. A.

Cashew cracker - S. Kanara dt. -
experimental distillation & Sale -
Continuance of experiment as to
in 1936-37 - stoppage of manufacture.

Rep. to the Govt. C.R. 94824/ABK D. 21.1.36.
G.O. No. Mis. 262/Rev. D. 6.2.36.

Necessary orders have already been issued
The papers may be filed with C.P.

No 119/ABK. D. 21.1.36.